

# SEMIPOSTAL AUTHORIZATION ACT

JULY 17, 2000.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BURTON of Indiana, from the Committee on Government Reform, submitted the following

## REPORT

[To accompany H.R. 4437]

[Including cost estimate of the Congressional Budget Office]

The Committee on Government Reform, to whom was referred the bill (H.R. 4437) to grant to the United States Postal Service the authority to issue semipostals, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

## CONTENTS

	Page
I. Purpose and Summary .....	3
II. Background and Need for the Legislation .....	5
III. Legislative Hearings and Committee Actions .....	6
IV. Committee Hearings and Written Testimony .....	6
V. Explanation of the Bill .....	6
VI. Committee Oversight Findings .....	9
VII. Budget Analysis and Projections .....	9
VIII. Cost Estimate of the Congressional Budget Office .....	9
IX. Statement of Constitutional Authority .....	11
X. Committee Recommendation .....	11
XI. Congressional Accountability Act; P.L. 104-1 .....	11
XII. Unfunded Mandates Reform Act; P.L. 104-4, Section 423 .....	12
XIII. Federal Advisory Committee Act (5 U.S.C. App.) Section 5(b) .....	12
XIV. Changes in Existing Law .....	12

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

### SECTION 1. SHORT TITLE.

This Act may be cited as the “Semipostal Authorization Act”.

### SEC. 2. AUTHORITY TO ISSUE SEMIPOSTALS.

(a) IN GENERAL.—Chapter 4 of title 39, United States Code, is amended by adding at the end the following:

**“§ 416. Authority to issue semipostals**

“(a) DEFINITIONS.—For purposes of this section—

“(1) the term ‘semipostal’ means a postage stamp which is issued and sold by the Postal Service, at a premium, in order to help provide funding for a cause described in subsection (b); and

“(2) the term ‘agency’ means an Executive agency within the meaning of section 105 of title 5.

“(b) DISCRETIONARY AUTHORITY.—The Postal Service is hereby authorized to issue and sell semipostals under this section in order to advance such causes as the Postal Service considers to be in the national public interest and appropriate.

“(c) RATE OF POSTAGE.—The rate of postage on a semipostal issued under this section shall be established by the Governors, in accordance with such procedures as they shall by regulation prescribe (in lieu of the procedures under chapter 36), except that—

“(1) the rate established for a semipostal under this section shall be equal to the rate of postage that would otherwise regularly apply, plus a differential of not to exceed 25 percent; and

“(2) no regular rates of postage or fees for postal services under chapter 36 shall be any different from what they otherwise would have been if this section had not been enacted.

The use of any semipostal issued under this section shall be voluntary on the part of postal patrons.

“(d) AMOUNTS BECOMING AVAILABLE.—

“(1) IN GENERAL.—The amounts becoming available from the sale of a semipostal under this section shall be transferred to the appropriate agency or agencies under such arrangements as the Postal Service shall by mutual agreement with each such agency establish.

“(2) IDENTIFICATION OF APPROPRIATE CAUSES AND AGENCIES.—Decisions concerning the identification of appropriate causes and agencies to receive amounts becoming available from the sale of a semipostal under this section shall be made in accordance with applicable regulations under subsection (e).

“(3) DETERMINATION OF AMOUNTS.—

“(A) IN GENERAL.—The amounts becoming available from the sale of a semipostal under this section shall be determined in a manner similar to that provided for under section 414(c)(2) (as in effect on July 1, 2000).

“(B) ADMINISTRATIVE COSTS.—Regulations under subsection (e) shall specifically address how the costs incurred by the Postal Service in carrying out this section shall be computed, recovered, and kept to a minimum.

“(4) OTHER FUNDING NOT TO BE AFFECTED.—Amounts which have or may become available from the sale of a semipostal under this section shall not be taken into account in any decision relating to the level of appropriations or other Federal funding to be furnished to an agency in any year.

“(5) RECOVERY OF COSTS.—Before transferring to an agency in accordance with paragraph (1) any amounts becoming available from the sale of a semipostal over any period, the Postal Service shall ensure that it has recovered the full costs incurred by the Postal Service in connection with such semipostal through the end of such period.

“(e) REGULATIONS.—

“(1) IN GENERAL.—Except as provided in subsection (c), the Postal Service shall prescribe any regulations necessary to carry out this section, including provisions relating to—

“(A) which office or other authority within the Postal Service shall be responsible for making the decisions described in subsection (d)(2);

“(B) what criteria and procedures shall be applied in making those decisions; and

“(C) what limitations shall apply, if any, relating to the issuance of semipostals (such as whether more than 1 semipostal may be offered for sale at the same time).

“(2) NOTICE AND COMMENT.—Before any regulation is issued under this section, a copy of the proposed regulation shall be published in the Federal Register, and an opportunity shall be provided for interested parties to present written and, where practicable, oral comment. All regulations necessary to carry out this section shall be issued not later than 30 days before the date on which semipostals are first made available to the public under this section.

“(f) ANNUAL REPORTS.—

“(1) IN GENERAL.—The Postmaster General shall include in each report rendered under section 2402, with respect to any period during any portion of which this section is in effect, information concerning the operation of any program established under this section.

“(2) SPECIFIC REQUIREMENT.—If any semipostal ceases to be offered during the period covered by such a report, the information contained in that report shall also include—

“(A) the commencement and termination dates for the sale of such semipostal;

“(B) the total amount that became available from the sale of such semipostal; and

“(C) of that total amount, how much was applied toward administrative costs.

For each year before the year in which a semipostal ceases to be offered, any report under this subsection shall include, with respect to that semipostal (for the year covered by such report), the information described in subparagraphs (B) and (C).

“(g) TERMINATION.—This section shall cease to be effective at the end of the 10-year period beginning on the date on which semipostals are first made available to the public under this section.”.

(b) REPORTS BY AGENCIES.—Each agency that receives any funding in a year under section 416 of title 39, United States Code (as amended by this section) shall submit a written report under this subsection, with respect to such year, to the congressional committees with jurisdiction over the United States Postal Service. Each such report shall include—

(1) the total amount of funding received by such agency under such section 416 during the year;

(2) an accounting of how any funds received by such agency under such section 416 were allocated or otherwise used by such agency in such year; and

(3) a description of any significant advances or accomplishments in such year that were funded, in whole or in part, out of amounts received by such agency under such section 416.

(c) REPORTS BY THE GENERAL ACCOUNTING OFFICE.—

(1) INTERIM REPORT.—The General Accounting Office shall submit to the President and each House of Congress an interim report on the operation of the program established under section 416 of title 39, United States Code (as amended by this section) not later than 4 years after semipostals are first made available to the public under such section.

(2) FINAL REPORT.—The General Accounting Office shall transmit to the President and each House of Congress a final report on the operation of the program established under such section 416, not later than 6 months before the date on which it is scheduled to expire. The final report shall contain a detailed statement of the findings and conclusions of the General Accounting Office, together with any recommendations it considers appropriate.

(d) CLERICAL AMENDMENT.—The table of sections for chapter 4 of title 39, United States Code, is amended by adding at the end the following:

“416. Authority to issue semipostals.”.

(e) EFFECTIVE DATE.—The program under section 416 of title 39, United States Code (as amended by this section) shall be established within 6 months after the date of enactment of this Act.

### SEC. 3. EXTENSION OF AUTHORITY TO ISSUE SEMIPOSTALS FOR BREAST CANCER RESEARCH.

(a) IN GENERAL.—Section 414(g) of title 39, United States Code, is amended to read as follows:

“(g) This section shall cease to be effective after July 29, 2002, or the end of the 2-year period beginning on the date of enactment of the Semipostal Authorization Act, whichever is later.”.

(b) REPORTING REQUIREMENT.—No later than 3 months and no earlier than 6 months before the date as of which section 414 of title 39, United States Code (as amended by this section) is scheduled to expire, the Comptroller General of the United States shall submit to the Congress a report on the operation of such section. Such report shall be in addition to the report required by section 2(b) of Public Law 105–41, and shall address at least the same matters as were required to be included in that earlier report.

## I. PURPOSE AND SUMMARY

As originally introduced, H.R. 4437 grants authority to the Postal Service to issue special stamps to help provide funding for a particular area of medical research. It specifies that the Board of Governors, according to procedures, set the rates of postage for the

semipostals that must be equal to the rate of postage that would normally apply, plus the addition of a differential, not to exceed 25 percent. The legislation also extends the Breast Cancer Research Stamp, which was authorized in 1997 and first went on sale in July 1998, for an additional two years. The purpose of the legislation is to raise money for worthy causes by active participation of postal patrons on a voluntary basis.

H.R. 4437 as amended by the substitute agreed to by the Committee on Government Reform on June 29, 2000, authorizes the Postal Service to issue and sell semipostal stamps, expanding the scope from purely areas of medical research, that would advance causes that the Postal Service considers to be in the national public interest and appropriate. Additionally, the amended bill specifies that the Postal Service shall ensure that it has recovered the full costs incurred in connection with the production of a semipostal before funds are made available to an agency for any specific period.

The bill states that the amounts raised by the sale of a semipostal will be conveyed to the appropriate executive agency or agencies under mutual arrangement of the Postal Service and the agency.

The Postal Service will identify which office or authority within the Service would be responsible for determining the appropriate causes to benefit from the sale and issuance of a semipostal. That responsibility would include the criteria and procedure in making those decisions and limitations in issuing semipostal (such as whether more than one semipostal may be offered for sale at the same time).

A copy of the proposed regulations must be published in the Federal Register prior to issuance. This would give interested parties an opportunity to provide comment. Regulations are to be issued no later than 30 days prior to the issuance to the public of the first semipostal. The regulations would specifically address how the cost incurred by the Postal Service shall be computed, recovered, and kept to a minimum. Appropriations to an agency will not be affected in any year because of amounts that may be received by the agency because of funds from semipostals.

The Postmaster General must issue an annual report which includes certain elements, including information regarding the commencement and termination dates of the sale of each semipostal; the total amount available from the sale of the semipostal and the total amount applied to administrative costs.

The authority to issue semipostals by the Postal Service will terminate at the end of the 10-year period beginning on the date on which these special postage stamps are first made available to the public (this does not include the already existing breast cancer research stamp or its extension).

Each agency that receives any funding from the sale of a semipostal is required to submit a report to the congressional committees with jurisdiction over the United States Postal Service. The report should include information regarding the total amount of funding received by the agency during that year, an accounting of how the funds were used by the agency, and a description of any significant advances or accomplishments that were realized because of the funding.

Additionally, no later than four years after the semipostal is first made available to the public, the General Accounting Office (GAO) is required to submit an interim report to the President and each House of Congress regarding the operation of the program. The GAO will prepare a final report for the same recipients no later than six months before the date on which the program is scheduled to expire. This report will contain detailed statements of the findings and conclusions of the GAO along with any recommendations it deems appropriate.

This new semipostal legislation is to be established six months after the date of enactment.

Section 3, which extends the authority to issue semipostal for breast cancer research, is based on a bill introduced by Representative Bass extending the existing Breast Cancer Research Stamp for an additional two-year period. The Comptroller General of the United States will submit a report to the Congress on the operation of program no later than 3 months and no earlier than 6 months before the date that this section is due to expire, and would contain the same information as required in Public Law 105–41 which first authorized the Breast Cancer Research Stamp.

The availability to participate in the Breast Cancer Research has been well accepted by the American public. The total number of stamps sold by June 16, 2000 was 214 million. These sales have raised more than \$15 million for breast cancer research.

## II. BACKGROUND AND NEED FOR THE LEGISLATION

The Stamp Out Breast Cancer Act, Public Law 105–41, August 13, 1997, was the first semipostal issued by the Postal Service, though this method of raising funds for a designated beneficiary has been used in varying degrees of success by foreign postal administrations since 1897 when money was raised in Australia for a tuberculosis medical facility in Sydney. Because the success of the Breast Cancer Research Stamp has been significant, Members of Congress have introduced more than 14 bills for the issuance of semipostals to raise funds for (1) AIDS research and education, (2) Alzheimer's disease research, (3) diabetes research, (4) domestic violence programs, (5) emergency food relief within the United States, (6) highway-rail crossing safety, (7) organ and tissue donation awareness, (8) prostate cancer research; (9) American Battle Monuments commission funding, and (10) World War II Memorial funding. Not all of the legislation deals with medical research. It was clear that if the Postal Service was authorized to issue semipostals dealing with only medical research, there would be countless other worthy causes which would be suggested for subjects for semipostals for enactment by Congress. The bill, therefore, gives the Postal Service the authority to design a fair process by which to offer specially priced semipostal stamps for voluntary purchase by the public as long as they are of public interest and appropriate. This process takes the legislative branch out of the process of issuing semipostal stamps in the same spirit that commemorative stamps are the purview of the Postal Service.

### III. LEGISLATIVE HEARINGS AND COMMITTEE ACTIONS

H.R. 4437 was introduced on May 11, 2000 sponsored by Mr. McHugh and originally cosponsored by Mr. Fattah, Chairman and Ranking Minority Member of the Subcommittee on the Postal Service, respectively. The bill was referred to the Committee on Government Reform, the Committee on Commerce, and Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. On May 17, the Committees on Government Reform and Commerce referred the legislation to the following subcommittees: Subcommittee on the Postal Service, Subcommittee on Health and Environment. On June 28, the Subcommittee on the Postal Service considered H.R. 4377 and held a mark-up session on the bill in the nature of a substitute as offered by Chairman McHugh and Mr. Fattah. The amended bill as forwarded to the Committee on Government Reform passed the Committee, as amended, by voice vote on June 29.

### IV. COMMITTEE HEARINGS AND WRITTEN TESTIMONY

Both the Senate and House have had several bills introduced regarding the extension of the breast cancer research stamp. Additionally, several bills have been introduced to raise funds through issuance of semipostal stamps. The Senate held a hearing on the issuance of semipostal stamps on May 25, 2000. The testimony from the Senate hearing held on May 25, 2000, along with the GAO Report (GAO/GGD-00-80) were studied in preparing the amendment in the nature of a substitute that has been accepted by the Committee. Neither the Subcommittee on the Postal Service nor the Committee on Government Reform conducted hearings on this issue.

### V. EXPLANATION OF THE BILL

#### SECTION-BY-SECTION ANALYSIS

##### *Section 1. Short title*

“Semipostal Authorization Act”.

##### *Section 2. Authority to issue semipostals*

(a) IN GENERAL.—This section adds § 416 to Chapter 4 of title 39, USC.

##### *Section 416(a). Definitions*

This amendment defines the term ‘semipostal’ as a postage stamp issued and sold by the Postal Service, at a premium, to help provide funding as described in Subsection (b); the term ‘agency’ means an Executive agency within the meaning of section 105 of title 5.

##### *Section 416(b). Discretionary authority*

This amendment is authorized to issue and sell semipostals in order to advance such causes as the Postal Service considers being in the national public interest and appropriate.

*Section 416(c). Rate of postage*

The amendment specifies that the Governors, according to procedures and regulations that they have established, will set the rates of postage for semipostals. The rate established for a semipostal must be equal to the rate of postage that would normally apply, plus the addition of a differential, not to exceed 25 percent. Regular rates of postage or fees will not be different from what they would be had this section not been enacted. The use of the semipostal by postal patrons is voluntary

*Section 416(d). Amounts becoming available*

This section provides that the funds that become available from the sale of semipostal stamps will be transferred to the appropriate Executive agency (as defined in section 105 of title 5) or agencies by mutual agreement of the Postal Service and the agency involved. Decisions regarding the identification of appropriate causes and agencies to receive money from the sale of semipostals will be made according to prescribed regulations as enumerated in subsection (e).

The provisions to determine the amounts to be made available from the sale of semipostals under this section is provided for in current section 414(c)(2) as was in effect on July 1, 2000. That is, the total amount received by the Postal Service that it would not have received but for enactment of this section, reduced by an amount sufficient to cover reasonable costs incurred by the Service in carrying out this section. This includes those amounts attributable to the printing, sale, and distribution of stamps under this section, as determined by the Postal Service.

Additional language requires that regulations under subsection (e) specifically address how the costs incurred by the Postal Service in carrying out this section shall be computed, recovered, and kept to a minimum.

This legislation provides that decisions for other funding to an agency will not be affected when making appropriations or other Federal funding as a result of the money which may or may not have become available to the agency from the sale of the semipostal. Additionally, it provides that the Postal Service will ensure that it has fully recovered the entire cost incurred in connection with the semipostal through that period.

*Section 416(e). Regulations*

This provision stipulates that the Postal Service shall set regulations necessary to carry out this section, including provisions concerning: which office or authority within the Postal Service will be responsible for making decisions regarding identification of appropriate causes and agencies that will receive the benefits of the sale of semipostal stamps; what criteria and procedures will be applied in making those decisions; and imposing limitations on the number of semipostals that may be offered for sale at any given time.

Prior to the prescribing regulations, a copy of the proposed regulations must be published in the Federal Register and interested parties must be provided with an opportunity to present written comment and, where practicable, oral comment. Initial regulations must be approved no later than 30 days before the date on which semipostals are first made available to the public.

*Section 416(f). Annual reports*

Under section 2402, title 39, the Postmaster General is mandated to make an annual report available to the Board of Governors and the finalized report must be transmitted to the President and the Congress. Section 416(f)(1) further provides that the Postmaster General must include in each report information concerning the operation of any program established under this section. There is a specific requirement that if any semipostal issue concludes during the time period covered by a report, that information must be included in the report along with: the commencement and termination dates of the sale of the semipostal; the total amount that became available from the sale of the semipostal; and, of the total amount, how much was applied toward administrative costs. The same types of information must be included in any report that is issued annually prior to the end of that semipostal program.

*Section 416(g). Termination*

The provision requires that this section will terminate at the end of the 10-year period beginning on the date on which semipostals are first made available to the public under this section.

(b) [of Sec. 2] REPORTS BY AGENCIES.—Each agency that receives funds from the sale of semipostal stamps is required to submit a written report to the congressional committees with jurisdiction over the United States Postal Service. The reports will include the amount of funding that was received, an accounting of how the allocated funds were utilized and a description of any accomplishments or significant advances.

(c) [of Sec. 2] REPORTS BY THE GENERAL ACCOUNTING OFFICE.—This amendment requires that the General Accounting Office submit to the President and each House of Congress, an interim report on the operation of the semipostal program established under this act not later than four years after semipostals are first made available to the public under the section. A final report from the General Accounting Office shall be transmitted to the President and each House of Congress on the operation of the semipostal program, not later than six months before the date it is scheduled to terminate. This report must include a detailed statement of the findings and conclusions of the GAO, along with any recommendations that the GAO considers appropriate.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 4 of title 39 United States Code is amended by adding, “§416. Authority to issue semipostals.”

(d) EFFECTIVE DATE.—The semipostal program shall be established within 6 months after the date of enactment of the legislation.

*Section 3. Extension of authority to issue semipostals for breast cancer research*

(a) IN GENERAL.—This subsection amends subsection (g) of section 414 of title 39, United States Code to extend the existing Stamp Out Breast Cancer Authorization Act until July 29, 2002 or the end of the 2-year period beginning on the date of enactment of the Semipostal Authorization Act, whichever is later.



(b) REPORTING REQUIREMENT.—The Comptroller General of the United States is required to submit a report to Congress on the operation of this section no later than three months and no earlier than six months before section 414 is due to expire. This report will be in addition to the report required by Public Law 105–41 and should address at least the same matters as were required to be included in that report.

#### VI. COMMITTEE OVERSIGHT FINDINGS

Pursuant to rule XIII, clause 3(c)(1), of the Rules of the House of Representatives, the results and findings for those oversight activities are incorporated in the recommendations found in the bill and in this report.

#### VII. BUDGET ANALYSIS AND PROJECTIONS

The budget analysis and projections required by Section 308(a) of the congressional Budget Act of 1974 are contained in the estimate of the Congressional Budget Office.

#### VIII. COST ESTIMATE OF THE CONGRESSIONAL BUDGET OFFICE,

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, July 12, 2000.*

Hon. DAN BURTON,  
*Chairman, Committee on Government Reform,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4437, the Semipostal Authorization Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Grabowicz.

Sincerely,

BARRY B. ANDERSON  
(For Dan L. Cripppen, Director).

Enclosure.

#### *H.R. 4437—Semipostal Authorization Act*

Summary: The Stamp Out Breast Cancer Act (Public Law 105–41) authorized a special postage stamp for first-class mail. The United States Postal Service set the price of this stamp (called a semipostal) at 40 cents, 7 cents above the regular rate of 33 cents, and the authority to issue this stamp expires on July 28, 2000. Amounts above the regular postal rate collected from sales of the special stamp are later transferred to the National Institutes of Health (NIH) and the Department of Defense (DoD) to spend for breast cancer research (after accounting for the Postal Service's administrative costs). H.R. 4437 would extend this program for two years after enactment of the bill, or until July 29, 2002, whichever is later. In addition, the bill would require the General Accounting Office (GAO) to prepare a report on the breast cancer stamp.

The bill also would authorize the Postal Service to issue additional semipostals, involving issues and federal agencies that the service would determine, for a ten-year period after the first such

semipostal is issued. Over the period, the bill would direct GAO to prepare two reports on the extended semipostal program.

Over the 2000–2005 period, CBO estimates that enacting H.R. 4437 would result in a negligible net effect on direct spending. In addition, the GAO report would cost about \$300,000 in 2002, assuming the availability of appropriated funds. Because enactment of the bill would affect direct spending, pay-as-you-go procedures would apply. H.R. 4437 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, or tribal governments.

**Estimated cost to the Federal Government:** The estimated budgetary impact of H.R. 4437 is shown in the following table. The costs of this legislation fall within budget functions 050 (national defense), 370 (commerce and housing credit), and 550 (health).

	By fiscal year, in millions of dollars—					
	2000	2001	2002	2003	2004	2005
<b>CHANGES IN DIRECT SPENDING</b>						
<b>Off-Budget Effects</b>						
Net impact on the Postal Service:						
Estimated budget authority .....	–1	–2	1	2	0	0
Estimated outlays .....	–1	–2	1	2	0	0
<b>On-Budget Effects</b>						
Net impact on NIH and DoD:						
Estimated budget authority .....	0	–2	–2	1	2	1
Estimated outlays .....	0	–2	–2	1	2	1
<b>Total Changes</b>						
Estimated budget authority .....	–1	–4	–1	3	2	1
Estimated outlays .....	–1	–4	–1	3	2	1

Note.—In addition to the effects on direct spending shown in the table, GAO would have to spend about \$300,000 in appropriated funds in 2002 to prepare a report required by the bill.

**Basis of estimate.**—For this estimate, CBO assumes that the bill will be enacted by August 1, 2000.

**Extension of breast cancer stamp.**—Since the program’s inception in July 1998, sales of these stamps have resulted in collections of about \$15 million for breast cancer research. CBO estimates that enacting H.R. 4437 would increase such collections by the Postal Service by about \$1 million in fiscal year 2000, \$5 million in 2001, and \$4 million in 2002. After covering its administrative costs, the Postal Service would transfer the collections to NIH and DoD in April and November of each year. Thus, the net impact on the Postal Service over the 2000–2005 period would be zero. Spending and receipts of the Postal Service are defined as off-budget.

We estimate that enacting H.R. 4437 would increase NIH and DoD collections by \$3 million in 2001, \$5 million in 2002, and \$2 million in 2003. Spending of these collections by those two agencies would be about \$1 million in fiscal year 2001, \$3 million a year in 2002 and 2003, \$2 million in 2004, and about \$1 million in 2005. Thus, the changes in spending would sum to the changes in collections but outlays would lag behind collections. CBO estimates that the change in net outlays for NIH and DoD over the 2000–2005 period would be near zero.

**Additional semipostals.**—CBO has no basis for predicting the extent to which the Postal Service would issue additional semipostals under H.R. 4437. However, the budgetary impact of each

semipostal would be similar to that of the breast cancer stamp. The net budgetary effects of any additional semipostals would be near zero because amounts collected above regular postal rates would eventually be spent.

GAO report.—Based on information from GAO, we estimate that each of the three reports required by the bill would cost about \$300,000, assuming appropriation of the necessary amounts. We expect the report on the breast cancer stamp to be completed in fiscal year 2002 and the other two reports to be completed sometime after 2005.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Because cash flows of the Postal Service are categorized as off-budget, only the transfer and spending of these funds by NIH and DoD under H.R. 4437 would be subject to pay-as-you-go procedures. Over the 2000–2005 period, such spending would sum to near zero. The bill's pay-as-you-go effects are summarized in the following table.

	By fiscal year, in millions of dollars—										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays .....	0	–2	–2	1	2	1	0	0	0	0	0
Changes in receipts .....	Not applicable										

Intergovernmental and private-sector impact: H.R. 4437 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

Previous CBO estimate: On June 27, 2000, CBO transmitted a cost estimate for S. 2386, the Breast Cancer Research Stamp Reauthorization Act of 2000, as ordered reported by the Senate Committee on Governmental Affairs on June 14, 2000. That legislation would extend the Stamp Out Breast Cancer Act for two years but would not authorize additional semipostals or require GAO reports.

Estimate prepared by: Federal costs: Mark Grabowicz; Impact on State, local, and tribal governments: Susan Sieg; impact on the private sector: John Harris.

Estimate approved by: Robert A. Sunshine, Assistant Director for Budget Analysis.

## IX. STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to rule XIII, clause 3(d)(1), the Committee finds that clause 7 of Article 1, Section 8 of the U.S. Constitution grants congress the power to enact this law.

## X. COMMITTEE RECOMMENDATIONS

On June 29, 2000, a quorum being present, the Committee by voice vote ordered the bill favorably reported to the House for consideration.

## XI. CONGRESSIONAL ACCOUNTABILITY ACT; PUBLIC LAW 104–1

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or

accommodations within the meaning of section 102(B)(3) of the congressional Accountability Act (P.L. 104–1).

XII. UNFUNDED MANDATES REFORM ACT; PUBLIC LAW 104–4,  
SECTION 423

The Committee finds that the legislation does not impose Federal mandates within the meaning of section 423 of the Unfunded Mandates Reform Act (P.L. 104–4); enactment of H.R. 4437 should also result in no significant regulatory impact to the private sector. The Congressional Budget Office has determined that H.R. 4437 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

XIII. FEDERAL ADVISORY COMMITTEE ACT (5 U.S.C. APP.) SECTION  
5(b)

The Committee finds that the legislation does not establish or authorize establishment of an advisory committee within the definition of 5 U.S.C. App., Section 5(b).

XIV. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

**TITLE 39, UNITED STATES CODE**

\* \* \* \* \*

**PART I—GENERAL**

\* \* \* \* \*

**CHAPTER 4—GENERAL AUTHORITY**

Sec.

401. General powers of the Postal Service.

\* \* \* \* \*

416. *Authority to issue semipostals.*

\* \* \* \* \*

**§ 414. Special postage stamps**

(a) \* \* \*

\* \* \* \* \*

**[(g) This section shall cease to be effective at the end of the 2-year period beginning on the date on which special postage stamps under this section are first made available to the public.]**

*(g) This section shall cease to be effective after July 29, 2002, or the end of the 2-year period beginning on the date of enactment of the Semipostal Authorization Act, whichever is later.*

\* \* \* \* \*

**§416. Authority to issue semipostals**

(a) *DEFINITIONS.*—For purposes of this section—

(1) the term “semipostal” means a postage stamp which is issued and sold by the Postal Service, at a premium, in order to help provide funding for a cause described in subsection (b); and

(2) the term “agency” means an Executive agency within the meaning of section 105 of title 5.

(b) *DISCRETIONARY AUTHORITY.*—The Postal Service is hereby authorized to issue and sell semipostals under this section in order to advance such causes as the Postal Service considers to be in the national public interest and appropriate.

(c) *RATE OF POSTAGE.*—The rate of postage on a semipostal issued under this section shall be established by the Governors, in accordance with such procedures as they shall by regulation prescribe (in lieu of the procedures under chapter 36), except that—

(1) the rate established for a semipostal under this section shall be equal to the rate of postage that would otherwise regularly apply, plus a differential of not to exceed 25 percent; and

(2) no regular rates of postage or fees for postal services under chapter 36 shall be any different from what they otherwise would have been if this section had not been enacted.

The use of any semipostal issued under this section shall be voluntary on the part of postal patrons.

(d) *AMOUNTS BECOMING AVAILABLE.*—

(1) *IN GENERAL.*—The amounts becoming available from the sale of a semipostal under this section shall be transferred to the appropriate agency or agencies under such arrangements as the Postal Service shall by mutual agreement with each such agency establish.

(2) *IDENTIFICATION OF APPROPRIATE CAUSES AND AGENCIES.*—Decisions concerning the identification of appropriate causes and agencies to receive amounts becoming available from the sale of a semipostal under this section shall be made in accordance with applicable regulations under subsection (e).

(3) *DETERMINATION OF AMOUNTS.*—

(A) *IN GENERAL.*—The amounts becoming available from the sale of a semipostal under this section shall be determined in a manner similar to that provided for under section 414(c)(2) (as in effect on July 1, 2000).

(B) *ADMINISTRATIVE COSTS.*—Regulations under subsection (e) shall specifically address how the costs incurred by the Postal Service in carrying out this section shall be computed, recovered, and kept to a minimum.

(4) *OTHER FUNDING NOT TO BE AFFECTED.*—Amounts which have or may become available from the sale of a semipostal under this section shall not be taken into account in any decision relating to the level of appropriations or other Federal funding to be furnished to an agency in any year.

(5) *RECOVERY OF COSTS.*—Before transferring to an agency in accordance with paragraph (1) any amounts becoming available from the sale of a semipostal over any period, the Postal Service shall ensure that it has recovered the full costs incurred by the Postal Service in connection with such semipostal through the end of such period.

(e) *REGULATIONS.*—

(1) *IN GENERAL.*—*Except as provided in subsection (c), the Postal Service shall prescribe any regulations necessary to carry out this section, including provisions relating to—*

*(A) which office or other authority within the Postal Service shall be responsible for making the decisions described in subsection (d)(2);*

*(B) what criteria and procedures shall be applied in making those decisions; and*

*(C) what limitations shall apply, if any, relating to the issuance of semipostals (such as whether more than 1 semipostal may be offered for sale at the same time).*

(2) *NOTICE AND COMMENT.*—*Before any regulation is issued under this section, a copy of the proposed regulation shall be published in the Federal Register, and an opportunity shall be provided for interested parties to present written and, where practicable, oral comment. All regulations necessary to carry out this section shall be issued not later than 30 days before the date on which semipostals are first made available to the public under this section.*

(f) *ANNUAL REPORTS.*—

(1) *IN GENERAL.*—*The Postmaster General shall include in each report rendered under section 2402, with respect to any period during any portion of which this section is in effect, information concerning the operation of any program established under this section.*

(2) *SPECIFIC REQUIREMENT.*—*If any semipostal ceases to be offered during the period covered by such a report, the information contained in that report shall also include—*

*(A) the commencement and termination dates for the sale of such semipostal;*

*(B) the total amount that became available from the sale of such semipostal; and*

*(C) of that total amount, how much was applied toward administrative costs.*

*For each year before the year in which a semipostal ceases to be offered, any report under this subsection shall include, with respect to that semipostal (for the year covered by such report), the information described in subparagraphs (B) and (C).*

(g) *TERMINATION.*—*This section shall cease to be effective at the end of the 10-year period beginning on the date on which semipostals are first made available to the public under this section.*

\* \* \* \* \*

# COMMITTEE CORRESPONDENCE

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON COMMERCE,  
Washington, DC, July 10, 2000.

Hon. DAN BURTON,  
Chairman, Committee on Government Reform,  
Washington, DC.

DEAR DAN: I am writing with regard to H.R. 4437, the Semipostal Authorization Act. As you know, Rule X of the Rules of the House of Representatives grants the Committee on Commerce

jurisdiction over public health and quarantine, as well as biomedical research and development. Accordingly, the Committee on Commerce received an additional referral of H.R. 4437, which includes a section extending the authorization of the issuance of the breast cancer research semipostal, and providing for an additional report. This legislation was ordered reported by the Committee on Government Reform on June 29, 2000.

Because of the importance of this legislation, I recognize your desire to bring it before the House in an expeditious manner, and I will not exercise the Committee's right to its referral. By agreeing to waive its consideration of the bill, however, the Committee on Commerce does not waive its jurisdiction over H.R. 4437. In addition, the Commerce Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this legislation. I ask for your commitment to support any request by the Commerce Committee for conferees on H.R. 4437 or similar legislation.

I request that you include this letter and your response in your committee report on the bill and as part of the Record during consideration of the legislation on the House floor.

Thank you for your attention to these matters.

Sincerely,

TOM BLILEY, *Chairman.*

---

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON GOVERNMENT REFORM,  
*Washington, DC, July 10, 2000.*

Hon. TOM BLILEY,  
*Chairman, Committee on Commerce,  
House of Representatives, Washington, DC.*

DEAR TOM: Thank you for your letter regarding your committee's jurisdictional interest in H.R. 4437, the Semipostal Authorization Act.

I acknowledge your committee's jurisdiction over this legislation and appreciate your cooperation in moving the bill to the House floor expeditiously. I agree that your decision to forego further action on the bill will not prejudice the Commerce Committee with respect to its jurisdictional prerogatives on this or similar legislation, and will support your request for conferees on those provisions within the Committee on Commerce's jurisdiction should they be the subject of a House-Senate conference. I will also include a copy of your letter and this response in our report on the legislation and as part of the Congressional Record when the legislation is considered by the House.

Thank you again for your cooperation.

Sincerely,

DAN BURTON, *Chairman.*

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON GOVERNMENT REFORM,  
*Washington, DC, July 6, 2000.*

Hon. FLOYD SPENCE,  
*Chairman, Committee on Armed Services,*  
*Washington, DC.*

DEAR CHAIRMAN SPENCE: I am writing to request that the Committee on Armed Services waive its jurisdiction over H.R. 4437, as introduced on May 11, 2000. The Committee on Armed Services received an additional referral of H.R. 4437.

This legislation was ordered reported as amended by the Committee on Government Reform on June 29, 2000; a copy of the Committee-approved legislation is attached for your convenience.

H.R. 4437, as amended, would grant to the United States Postal Service the authority to issue and sell semipostal stamps that are in the public interest and are appropriate for the purpose of raising money for worthy causes as determined by the Postal Service. Additionally, the legislation would extend the authority to issue and sell the Breast Cancer Research Stamp, which is due to expire by the end of July, 2000, for an additional two years.

Because of the importance of this legislation, and in our effort to move H.R. 4437, prior to the expiration of the Breast Cancer Research Stamp, I request that the Committee on Armed Services discharge further consideration of the bill.

I acknowledge your committee's jurisdiction over this legislation and appreciate your cooperation in moving H.R. 4437 to the House floor expeditiously. If you should decide to forego further action on this legislation, it will not prejudice the Armed Services Committee with respect to its jurisdictional prerogatives on this or similar legislation, and I will support a request for conferees on those provisions within the Committee on Armed Services' jurisdiction should they be the subject of a House-Senate conference. I will also include a copy of this letter and your response in our report on the legislation and as part of the Congressional Record when the House considers the legislation.

With best wishes and appreciation for your cooperation in this matter,

Sincerely yours,

DAN BURTON, *Chairman.*